

# **Energy Related Uses of the OCS: Other Proposals**

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# Energy Related Uses of the OCS: Other Proposals

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- ✓ **McMoRan's Waste Injection Project**
- ✓ **Bulk Offshore Oil Transfer System (BOOTS)**
- ✓ **Compressed Gas**
- ✓ **Offshore Supply Bases**

# McMoRan's Waste Injection Project



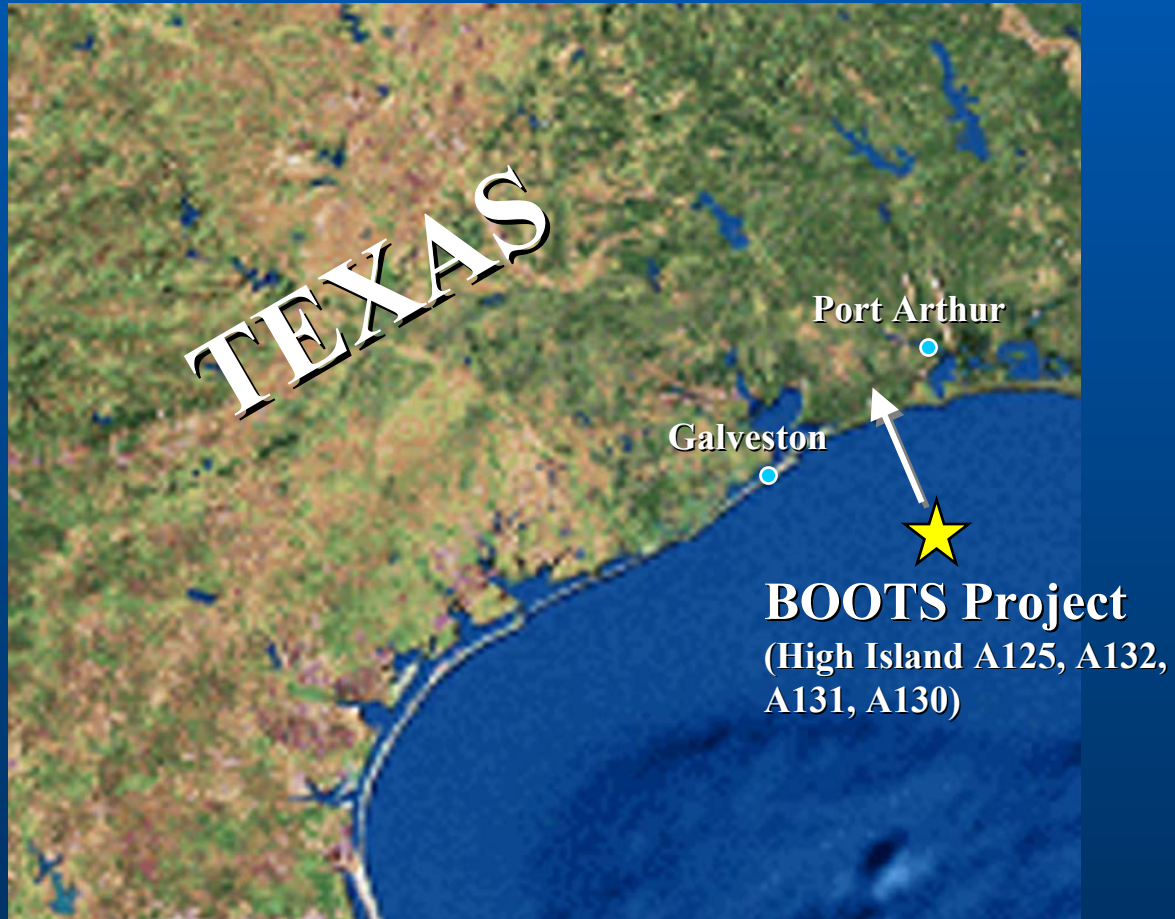
# McMoRan's Waste Injection Project

- Freeport-McMoRan filed four applications with MMS to inject up to 5 million bbl/yr of OCS-generated E&P wastes into three salt caverns and associated caprock formations on Main Pass Block 299 (initially filed in January 2001)
- project site located about 14 miles southeast of Louisiana at the mouth of the Mississippi River

# McMoRan's Waste Injection Project

- these are normal wastes from E&P activities
- these wastes are exempt under the Resource Conservation and Recovery Act (RCRA)
- wastes transferred by supply vessels and barges (loads up to 25,000 bbl)
- MMS environmental assessment to be completed by April 2002

# BOOTS



# BOOTS

- **BOOTS, L.L.C. was formed by Unocal to build an offshore oil port or Bulk Offshore Oil Transfer System (BOOTS) about 70 miles offshore Port Arthur, Texas**
- **this system will take oil from tankers and bring it onshore through a 48" oil pipeline (capacity of 1.25 millions barrels per day)**
- **to be licensed by DOT under the Deepwater Ports Acts of 1974 (similar to Louisiana Offshore Oil Port or LOOP)**

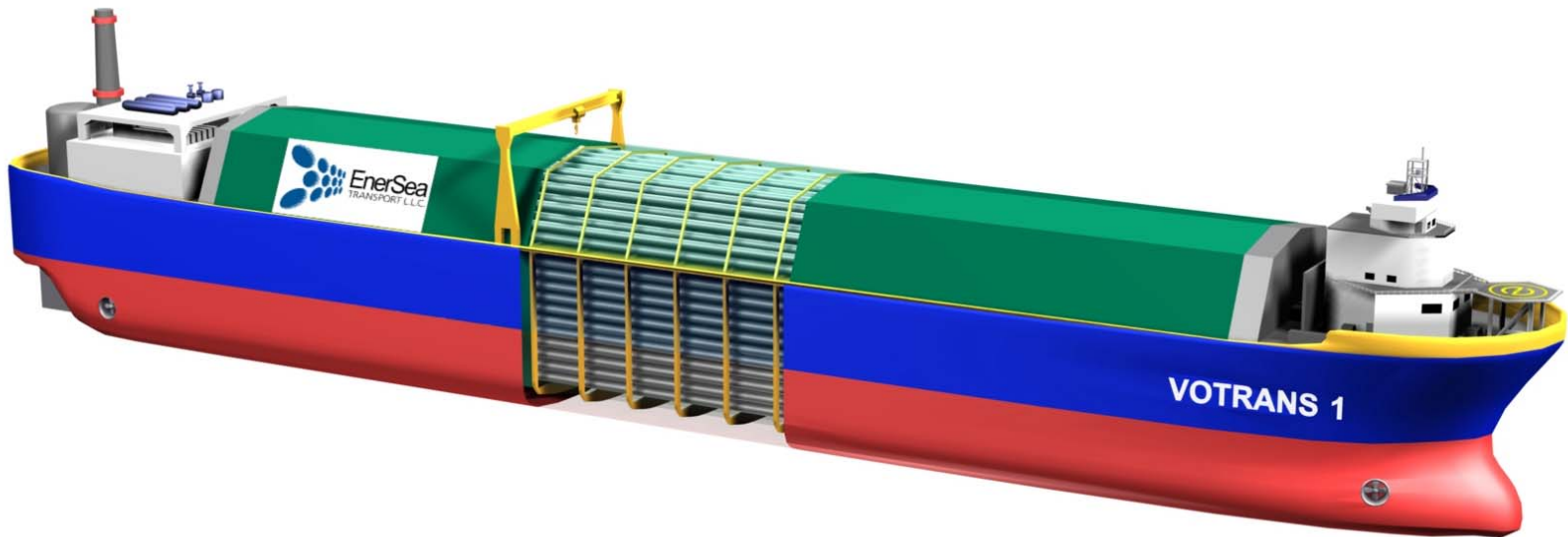
# BOOTS

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- environmental review work will need to begin ahead of the actual filing of the license application
- an EIS will be prepared by the Corps/Maritime Administration (contracted)
- license application is slated for April 2002, with license approval in April 2004
- MMS would be involved in the EIS and in providing technical assistance on pipeline design and routing



# Compressed Natural Gas

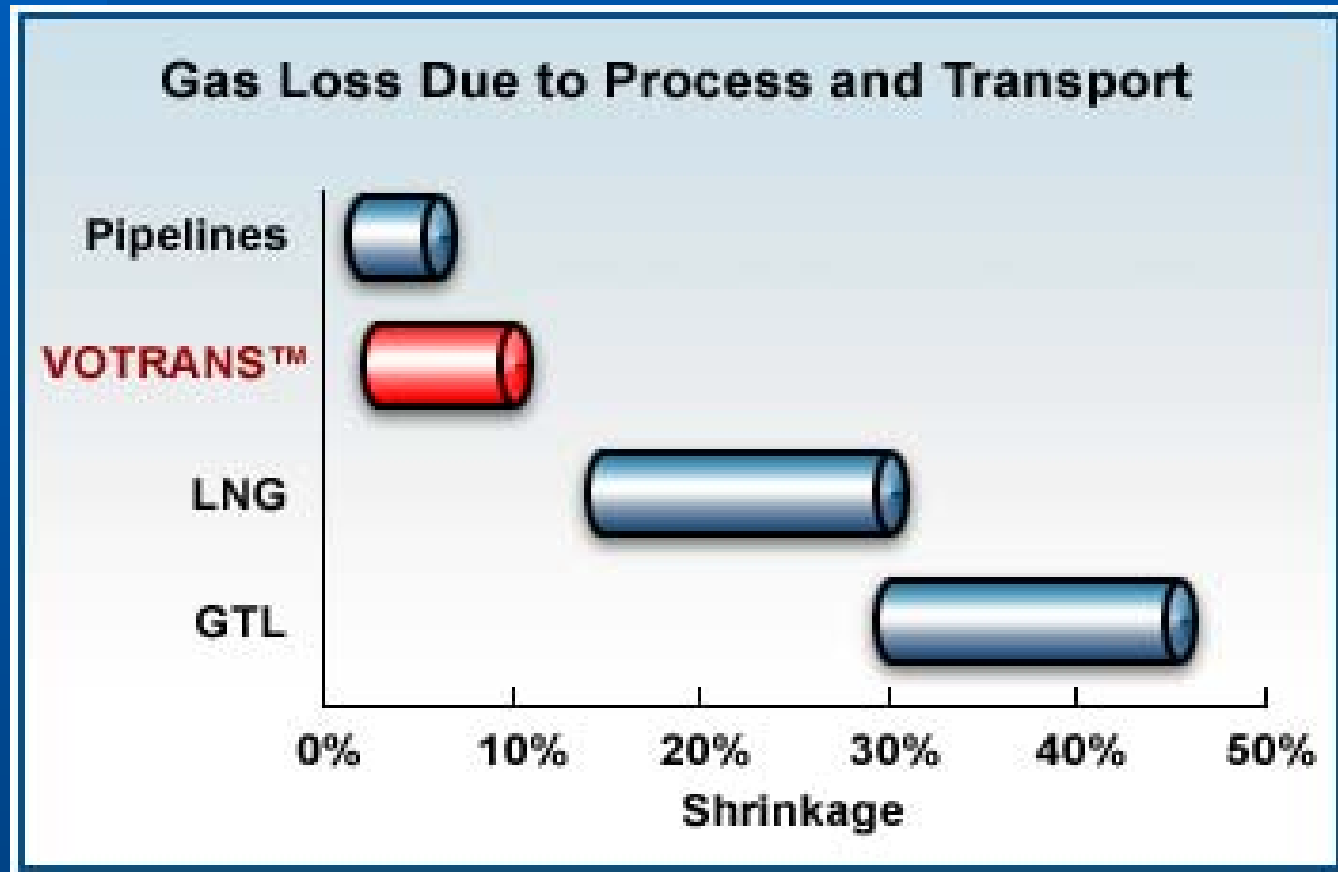


# Compressed Natural Gas

## CNG's role in the GOM :

- best alternative to pipelines or re-injection
- ultra-deep pipelines (??? commercial and technical viability)
  - high compression requirements
  - flow assurance concerns
  - repair challenges
- unlock ultra-deep gas potential
- unlock marginal field developments
- safe offshore offloading

# Compressed Natural Gas



# Offshore Supply Bases

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- ✓ Heliport
- ✓ Medical Facility
- ✓ Drilling Mud Base
- ✓ Offshore Pipeyard

# Legislative Problems with these Projects

- Deepwater Ports Act omits MMS; yet it has technical expertise
- MMS's legislative/regulatory coverage of these is weak (limited to right-of-ways)
- other agencies' jurisdiction is limited/tied to a specific focus
- no clear “one stop shopping” to consider a project in total
- environmental and technical review, and inspection authority are weak under current regime